

CIA HISTORICAL REVIEW PROGRAM
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18 March 1964

MEMORANDUM FOR:

SUBJECT:

Information for on Communist Credits to
Less-Developed Countries, pursuant to our conversa-
tion : on 16 and 17 March

USSR Credit to Senegal: Although reports have been received concerning a possible \$15-20 million USSR credit for developing the Senegal River Valley, the offer has never been finalized. A technical study was made by Soviet experts at the end of 1962, and in June 1963 a Senegalese mission returning from Moscow reported that agreement had been reached with the USSR on technical methods but financial negotiations were to start on receipt of a letter indicating Soviet willingness to commit themselves further. At that time, economic circles in Dakar were skeptical about the accomplishment of the project. Late in December 1963, President Senghor informed U.S. Ambassador to Senegal, Kaiser, that the proposed Russian aid project on the Senegal River had collapsed.

Czech Credit to India: Reports during the second half of 1963 indicated that Czechoslovakia had offered India a line of credit for its Third and Fourth Plans. The amount involved was given in different reports as \$50 and \$100 million. Though the offer was commented on when the new trade agreement was signed in November, no mention was made of a credit agreement. No further information has been received on the status of the offer since that time.

USSR Credit to UAR: In December 1963, the Middle East Business Digest stated that the Soviet Union had granted the UAR a loan of nearly \$18 million to supply equipment and construct a power grid from the projected hydroelectric stations at Aswan. The Financial Times of London referring to a similar project reported a \$50 million loan. Both sources indicated that the loan was under the terms of the Soviet-UAR agreement for building the Aswan Dam. We have concluded that the loans referred to in these reports constitute an obligation of the 1960 credit to finance the second stage of the Dam. Other sources tend to corroborate this conclusion.

Military Assistance: Total Communist military assistance to less-developed areas of the Free World is estimated to have reached almost \$300 million in 1963.

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